

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 70 – SB 590

March 11, 2013

SUMMARY OF ORIGINAL BILL: Removes prohibition for issuing wholesaler licenses of alcoholic beverages in municipalities with populations less than 100,000.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

\$6,600/FY13-14/ABC Fund

\$12,600/FY14-15/ABC Fund

Exceeds \$18,600/FY15-16 and Subsequent Years/ABC Fund

SUMMARY OF AMENDMENT (003959): Deletes all language after the enacting clause. Authorizes the issuance of a wholesale liquor license, limited to the sale and distribution of wine only, not to exceed 6,000 cases per year, for an entity located in a municipality authorized to sell liquor-by-the-drink, and both the county and municipality has bond ratings of AAA.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$6,600/FY13-14/ABC Fund

\$6,000/FY14-15 and Subsequent Years/ABC Fund

Assumptions for the bill as amended:

- Two new wholesaler licenses would be issued as a result of this bill as amended.
- The one-time application fee for new wholesalers is \$300.
- The annual fee for a wholesaler license is \$3,000.
- The increase in state revenue to the ABC Fund for FY13-14 is estimated to be \$6,600 $[(\$300 \times 2) + (\$3,000 \times 2)]$.
- The recurring increase in state revenue to the ABC Fund beginning in FY14-15 is estimated to be \$6,000 $(\$3,000 \times 2)$.

- Any increase in state and local sales tax collections derived from these two new entities is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/cce